

## REGULAR MEETING OF THE JASPER COUNTY COUNCIL

June 16, 2015

The Jasper County Council met this date at 7:00 P.M. C.S.T. in the Commissioners' Room, Suite 202, of the Jasper County Courthouse located at 115 West Washington Street, Rensselaer, Indiana, with the following members present: Rein O. Bontreger, Gerrit H. DeVries, John T. Price, Stephen R. Jordan, Andrew Andree, Gary Fritts and Paul Norwine. Also present was Kimberly K. Grow, Auditor of Jasper County, and Donna J. Horner, Deputy Auditor. Mr. Bontreger called the meeting to order and those present stood and recited the Pledge of Allegiance led by Mr. Price.

MINUTES: Mr. Norwine made the motion to approve the Minutes of the Regular Meeting held on May 19, 2015. Mr. Price seconded and the motion carried unanimously.

ADDITIONAL APPROPRIATION / CORONER'S BUDGET: Advertised in the County General Fund, Coroner's Budget, Personal Services, Administrative Assistant / Deputy Coroner was \$5,642.00. Mr. Price made the motion to approve **Additional Appropriation Ordinance No. 2015-06A** as advertised. Mr. Andree seconded. Motion carried unanimously.

ADDITIONAL APPROPRIATION / INNKEEPERS TAX FUND: Advertised in the Innkeepers Tax Fund, Other Services & Charges, SSCVA Partnership was \$15,000.00. Kevin Kelly, Economic Development Director, reiterated from last month's meeting that the Jasper County Tourism Commission had requested \$2,500.00 per month during last year's budget process to be used towards a partnership with South Shore Visitor's Association. At the time, the Council approved six months worth of funding. Mr. Kelly would now like to request funding for the remainder of the year. Mr. Jordan made the motion to approve **Additional Appropriation Ordinance No. 2015-06B** as advertised. Mr. Norwine seconded. Motion carried unanimously.

TAX ABATEMENT APPLICATION PACKAGE: Kevin Kelly, Economic Development Director, stated that the application package has been in the review process for awhile. Essentially, what we are working with is an old document that provides outdated information to the applicant; however, the current document is functional and could still be used if needed. Under the section titled "Length of Tax Abatement and Percentages", it states that the maximum allowable length of tax abatement on personal property that may be applied for increases to 20 years after July 1, 2015. Mr. Kelly stated that several years ago, there was a percentage based on the years. The percentages were a little different for real property and personal property. Over the last several years, the statute has been modified. Senator Brandt Hershman stated that there has been a shift in investment practices by industry where most of our abatements tended to be tied towards job creation. More of it, at this point, is tied towards job retention. One of the problems is that some states hand out cash awards and we won't do that. By going to the "super" abatement, extending the length gives the opportunity for another tool for Mr. Kelly to use. We want to give you enough flexibility to be able to negotiate and we felt that you fully have the capability to make good decisions on behalf of your taxpayers. The other aspect of this that will be going into place is the small business / personal property tax exemption for those with \$20,000.00 or less of equipment. By doing this exemption, half of the business personal property taxpayers in Indiana will no longer file a return. In fact, typically, they were paying more in accounting fees than they were paying in the tax rate. What we have also done is created the option of a requirement for local units to create a \$50.00 replacement fee to help cover lost revenue. In regards to the tax abatement package, Mr. Price and Mr. DeVries both expressed that they would like to see a little more clarification added. Mr. DeVries has put together a packet of additional information that could be included as an addendum. Copies of the addendum were distributed for further review.

LEADERSHIP JASPER COUNTY: Alice Smith, Extension Educator, stated that she recently had the opportunity to attend a workshop on a program to develop a community development leadership program for the county. An advisory committee has been formed with representatives from all parts of the county. The program will involve 11 sessions consisting of various topics. Ms. Smith stated that one of the goals is to develop a group of people who are interested in becoming involved in the county. Each participant will pay a tuition fee of \$300.00. This amount is the maximum amount that Purdue will allow us to charge. The program is valued at \$1,200.00 - \$1,500.00.

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THANK YOU / COUNTY HIGHWAY: Paul Norwine stated that he would like to go on record and thank the County Highway crew for all the work that they have had to deal with the last two weeks with all the rain.

ALCOHOLIC BEVERAGE BOARD / APPOINTMENT: Mr. Jordan made the motion to appoint Albert Tyler to the Alcoholic Beverage Board. Mr. Andree seconded and the motion carried unanimously.

MEETING / DLGF: Mr. Bontreger stated that there will be a meeting with the Department of Local Government Finance (DLGF) on Thursday, July 9 at 3:15 P.M. Mr. Bontreger, Mr. Price and Mr. Norwine will be attending.

COMMISSIONERS' UPDATE: Kendell Culp, Commissioner, gave an update on the recent flooding within the area. The Highway is also nearing completion of the road grinding process. There are a lot of different options that can be used. We were able to purchase the grindings off of US 231 when it was repaved. We will also be purchasing the grindings from SR 16. Mr. Culp gave a brief explanation as to how the grindings would be used to patch the roads.

Mr. Culp also reported that the exterior limestone project on the Courthouse is just about complete.

SENATOR BRANDT HERSHMAN / UPDATE: Senator Brandt Hershman stated that there were 1258 bills introduced in the legislature in four months time with 261 of these bills being passed by the General Assembly. Of those bills, 54% of them were unanimous. Senator Hershman stated that there were a number of things that we accomplished that he feels will not only have a positive impact on the State but in Jasper County in particular. In 2004, Indiana's business tax climate was ranked by the non-partisan tax foundation as 38<sup>th</sup> in the nation. As of 2015, Indiana is ranked 8<sup>th</sup>. Of the things that we did that would affect this County; we reauthorized and stabilized the 911 funding system. The monthly rate was raised from \$.90 to \$1.00. The \$1.00 rate was capped through 2020. The increase has arrested the decline in revenues that we were facing because people were getting rid of their landline phones. At this point, becoming adopted is a national model of reform and Indiana is very much at the forefront of that.

Senator Hershman also reported that they passed a balanced budget holding back an 11.8% reserve while making the largest dollar investment in education in the State's history. Education is our number one budgetary item. Another issue discussed was the income taxes. The CEDITs, CAGITs, and LOITs have all been collapsed into two buckets, a revenue bucket and a property tax replacement bucket. The goal is to make the system much easier for us and for you. These taxes were created for various reasons and have accumulated over the years. At the same time, we eliminated 20 tax credits. Our overall goal as a State is to offer fewer credits and have lower flatter rates across the board.

The last topic Senator Hershman discussed was ag land taxes. Ag land has been a challenge in recent years. We, at the time of property tax reform in general, made the determination that we were going to value farmland based upon an income stream much as we do with rental property. The idea underlying it being that the value of the capital asset, the land itself, is not reflective of income generated off the land. The problem with that is that in order to create that income stream, Purdue came up with a formula based on corn being the highest best use for farmland modified by soil productivity in a given area. You then end up with a rate which is taken times the average price of corn. The average price of corn made some unbelievable gyrations in the last few years. The first property tax reform in 2006 saw farmland taxes going down 16%. The next year they were flat because we froze the base rate. The year after that, they went up 29%. In 2009, farmland taxes went up 5.26%. The price of corn started going up in 2012. At this point, we made the decision to modify the formula based on an "Olympic average" where we throw out the high year. After the taxes still went up over 8%, we went to a "modified Olympic" where we dropped the two high years. This benefited farmers initially when prices were great. You are now looking at a 65% drop in corn prices in a two-year period of time. You have historic highs followed by semi-historic lows. Farmland taxes have since been frozen with no opposition. The goal is to come back and do a full-blown study of the assessment system. The question is how to come up with something that is fair.

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SENATOR BRANDT HERSHMAN / UPDATE CON'T: Mr. Price stated that rumor has it that the County may be forced to close one of the 911 call centers which is actually going to create additional cost and hurt service. DeMotte is currently doing the dispatching for the Sheriff's department on calls in that area. The Sheriff has stated that they would have to hire 3-5 additional dispatchers if they have to take that over. Is there any way you can make an exception when you say that they are complying with the intent of the law to actually save the taxpayers' money and be more efficient. Senator Hershman stated that the intent was to consolidate the PSAPs (Public Safety Answering Point) not the PSDPs (Public Safety Dispatch Point). There may be an opportunity to do a clarification there. Overall, it has been a very positive thing for the State. In so far as there may be some flexibility with the dispatch, I would be happy to talk to you about it.

Mr. DeVries asked for a further explanation on the changes to the Local Option Income Tax. Senator Hershman replied that effective January 1, 2017, HEA 1485 consolidates Indiana's eight current local income taxes into one. The new local unified income tax will have three spending components that correspond to the spending purposes of the eight local taxes currently imposed. The rate cap for each corresponding spending component under the unified law will match the rate caps under current law. For instance, if you are a CAGIT or a COIT county, the rate cap will be 1% on that revenue component. The Local Option Income Tax (LOIT) for Levy Freeze will be capped at 1%, CEDIT at .25%, and Public Safety LOIT at .25%. Those are all of the expenditure categories and they can reach a maximum total of 2 ½%. The remaining categories are LOIT for Property Tax Relief which is 1%, CEDIT for Homestead Credit at .25% and a handful of special purpose taxes for individual counties. The cap on property tax relief is 1.25%. This would leave a maximum of 3.75% in total when you put all of those components together. The underlying purposes of creating revenue for the county and providing property tax relief remain. They are just now in two buckets rather than eight. Each county's unified local income tax rate under the new system will be the same as the combined rates for each tax it imposes under the current system. Counties will have more flexibility to use local income tax and property tax relief under the new system. Currently, a county must provide relief to homesteads in order to also provide relief to other classes of property. We eliminated that distinction as well as the requirement that you essentially had to adopt the A and B before you could adopt the Public Safety LOIT.

CITIZEN CONCERN / MATHIS: Tom Mathis, concerned citizen, was present concerning zoning for a parcel in his neighborhood. A copy of the property assessment card for RDNP Drilling's previous location in Lake County, Indiana which is coded with a property class of 350 Industrial Warehouse was distributed. Mr. Mathis stated that the assessment at their current location is coded 510 Residential One-Family Platted Lot. In another example of an industrial location, Mr. Mathis pointed out that the land value is assessed nearly three times higher on a commercial setting rather than a residential. Mr. Mathis stated that there is a correlation between zoning, coding and the revenue that you receive from the different uses.

There being no further business, Mr. Fritts made the motion to adjourn and Mr. DeVries seconded. Motion carried unanimously.

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Rein O. Bontreger, President

ATTEST:

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Kimberly K. Grow, Jasper County Auditor

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